

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746

Tel (562) 908-8400 • Fax (562) 908-0459



BRYCE YOKOMIZO

Director

LISA NUÑEZ

Chief Deputy



Board of Supervisors

GLORIA MOLINA

First District

YVONNE B. BURKE

Second District

ZEV YAROSLAVSKY

Third District

DON KNABE

Fourth District

MICHAEL D. ANTONOVICH

Fifth District

June 13, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AN AMENDMENT WITH THE THIRTEEN
ALTERNATIVE PAYMENT PROGRAM AGENCIES FOR THE PROVISION OF
STAGE 1 CHILD CARE SERVICES
TO CalWORKs PARTICIPANTS
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Director of the Department of Public Social Services (DPSS) to prepare and execute amendments, substantially similar to the enclosed sample amendment (Enclosure I), to extend existing contracts with the thirteen Alternative Payment Program (APP) agencies for the provision of Stage 1 Child Care Services to CalWORKs participants for three months, as necessary, with three additional month-to-month extensions, if needed, not to exceed six months, beginning July 1, 2006, through December 31, 2006 with estimated costs indicated on the enclosed schedule (Enclosure II). The estimated six-month cost of operational and administrative fees for the amendments for the full six months is \$63,373,914 fully funded by Stage 1 Child Care allocation therefore, there is no net County cost (NCC) impact.

The contracts are fully subvented by State and federal revenue. Funding for the amendments is included in the FY 2006-07 Proposed Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDATION

The current contracts for these services expire June 30, 2006. Board approval of the recommended action will allow DPSS to continue delivery of seamless child care services while DPSS negotiates contract renewals with the APPs.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of Countywide Strategic Plan Goal #5, Children and Families' Well-Being; Improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board: good health; economic well-being; safety and survival; social and emotional well-being; and educational/workforce readiness.

FISCAL IMPACT/FINANCING

The cost of the thirteen amendments for six months is estimated at \$63,373,914, of which \$11,227,914 is for administrative costs, including collocated staff and outreach activities. The remaining costs are direct payments to child care providers for providing child care to children of current or former CalWORKs participants.

The costs of these amendments will be funded entirely with CalWORKs Stage 1 Child Care funds. There is no NCC impact. Funding for the amendments is included in the FY 2006-07 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Educational Code 8350 requires three stages of Child Care Services. Section 8351 of the same code requires county welfare departments to manage the first stage (Stage 1). Subsection 8351(e) allows counties to contract for any or all Stage 1 Child Care Services. Stages 2 and 3 Child Care Services are under the jurisdiction of the California Department of Education (CDE). CDE contracts with the same agencies with which we contract for Stage 1 Services to operate the local Stages 2 and 3 programs. CDSS has authorized DPSS to negotiate sole source contracts with these thirteen agencies in order to provide a seamless delivery of child care services to participants.

The current Stage 1 Child Care Services contracts went into effect May 1, 2004 and they will expire June 30, 2006. The County has contracted for Stage 1 Child Care Services since December 1998.

Per subsection 2.121.250B.1 of the County Code, these contracts are not subject to Prop A contract requirements.

Under the agreements, the contractors must ensure that the parent is provided with the necessary information and assistance to make an informed child care choice, determine that the parent is eligible to receive child care services, and process the child care certification within a specified time period. The contractors must also process provider payments.

The contracts are being extended so that DPSS may continue to negotiate with the APPs. Based on the final results of negotiations, DPSS will return to the Board with a recommendation for ongoing provision of these services.

This amendment has been approved as to form by County Counsel.

CONTRACT PROCESS

On May 18, 2006, the California Department of Social Services approved DPSS' request to extend the thirteen contracts as described.

CONTRACT PERFORMANCE

Monitoring of these contracts has found that overall, child care services are being provided to our CalWORKs participants in an efficient and effective manner. In addition to DPSS monitoring, the Auditor-Controller has monitored the contractors for Fiscal Years 2003-2004 and 2004-2005 as part of its centralized contract monitoring project.

IMPACT ON CURRENT SERVICES

The amendments will allow the County to continue to provide State required Stage 1 Child Care Services.

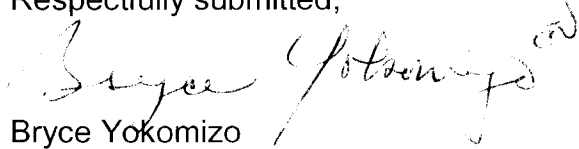
Extending these contracts will not infringe on the rights of the County in relationship to its residents and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County.

Honorable Board of Supervisors
June 13, 2006
Page 4

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the Director of DPSS.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Bryce Yokomizo", with a small "encl" written at the end of the signature.

Bryce Yokomizo
Director

BY:cjr

Enclosures

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

**AMENDMENT NUMBER ____ TO THE AGREEMENT BETWEEN
THE COUNTY OF LOS ANGELES AND**

FOR THE PROVISION OF CalWORKs STAGE 1 CHILD CARE SERVICES

Reference is made to the documents entitled "CalWORKs Stage 1 Child Care Services Contract" by and between the County of Los Angeles and the _____, dated May 1, 2004, and further identified as County Agreement #CDD_____ and Amendment Number _____ to the Agreement, dated _____, (hereinafter referenced as "Contract") and amended on this _____ day of _____, 2006.

NOW, THEREFORE, COUNTY and CONTRACTOR hereby agree to extend the term of the Agreement as follows:

- A. Section **II, TERM OF CONTRACT**, is amended by adding the following new paragraph:

This contract is extended for three months commencing July 1, 2006 through September 30, 2006, with additional month-to-month extensions, as needed, through December 31, 2006, in so far as funding is available and the DPSS Director or authorized representative notifies the CONTRACTOR within ten days prior to the following month that this Agreement is to be extended an additional month.

- B. The method and rate of compensation paid to CONTRACTOR for the contract period commencing July 1, 2006 until termination, shall be the same as set forth in Amendment Number One, Section **IV., COMPENSATION**, Paragraph 1, Operational/Administrative Fees, Subparagraph 1.1. The denial case cap is set at a maximum of 1,900 per month for the period commencing July 1, 2006 until termination.

- C. Effective July 1, 2006, Section **IV., COMPENSATION**, Paragraph 1, Operational/Administrative Fees, Subparagraph 1.2 is deleted in its entirety and replaced with Subparagraph 1.2 as follows:

CONTRACTOR shall issue to COUNTY, no later than fifteen calendar days following termination of this contract, a list and diskette of providers with outstanding Provider Payment Requests for child care rendered prior to expiration date of this contract, for whom no payment was issued, unless COUNTY and CONTRACTOR have entered into a new contract which sets a later date for the delivery of such a list and diskette. COUNTY shall reconcile CONTRACTOR list to ensure previous payment has not been issued prior to assuming sole responsibility for receiving outstanding Provider Payment Requests and issuing requested payments after termination of this contract. If COUNTY disagrees with the CONTRACTOR's list of Provider Payment Requests, COUNTY and CONTRACTOR shall meet within ten (10) calendar days and resolve the disagreement.

The list and diskette of Provider Payment Requests shall be submitted within fifteen (15) calendar days of contract termination.

- D. Section **VI., ADVANCES AND SETTLEMENTS**, Paragraph 5, is amended as follows:

At the end of the Contract, COUNTY shall recoup all advances by offsetting the advances from CONTRACTOR's final two months services' invoices. If any additional recouping is necessary, CONTRACTOR shall pay COUNTY by cash payment within thirty (30) calendar days of the final determination by COUNTY of the amount of payment. All advances each Fiscal Year must be recouped by June 30, or the end of the contract, whichever comes first.

- E. Section **VII., FURTHER TERMS AND CONDITIONS**, Paragraph 45 TERMINATION FOR CONVENIENCE OF COUNTY, Subparagraph 45.2, Paragraph B., is amended as follows:

Taking all reasonable and necessary steps to cancel all leased or rented space agreements entered into for the three-month period commencing July 1, 2006 through September 30, 2006, and as needed for month-to-month extensions, through December 31, 2006 to perform the services terminated hereunder;

- F. **ATTACHMENT E-1, CONTRACTOR MONTHLY BUDGET**, is added as an attachment hereunder, and incorporated into this Agreement and will be effective July 1, 2006 through December 31, 2006.

All other terms and conditions remain in full force and effect.

The parties hereto have caused this Amendment Number ____ to be executed by their authorized officers.

COUNTY OF LOS ANGELES

By: _____
Bryce Yokomizo, Director
Department of Public Social Services

Date: _____

CONTRACTOR

By: _____
Executive Director

Date: _____

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Vicki Kozikoujekian
Senior Deputy County Counsel

CalWORKs STAGE 1 CHILD CARE ALTERNATIVE PAYMENT PROGRAM AGENCIES

ESTIMATED COSTS FOR OPERATIONAL AND ADMINISTRATIVE FEES

Effective for Months of July 1 – December 31, 2006

Agency Name	Case Mngmt Cost*	Cost of Collocation Staff	Outreach Activity Cost	Total Monthly Operational & Admin Fees	Est. Monthly Direct Provider Payments*	Est. Monthly Total Operational & Admin fees and Direct Provider Payments	Est. Six-Month Total
Center for Community & Family Services	\$197,527	\$0	\$1,038	\$198,565	\$955,000	\$1,153,565	\$6,921,390
Child Care Information Services	46,531	0	244	46,775	230,000	276,775	1,660,650
Child Care Resource Center	327,252	23,601	1,752	352,605	1,647,000	1,999,605	11,997,630
Children's Home Society	155,368	31,845	832	188,045	778,000	966,045	5,796,270
City of Norwalk	22,271	0	111	22,382	102,000	124,382	746,292
Connections for Children	26,610	0	143	26,753	123,000	149,753	898,518
Crystal Stairs	428,300	28,712	2,124	459,136	2,119,000	2,578,136	15,468,816
Drew Child Development Center	119,691	0	719	120,410	674,000	794,410	4,766,460
International Institute of Los Angeles	20,264	0	116	20,380	65,000	85,380	512,280
Mexican-American Opportunity Foundation	148,587	13,406	808	162,801	724,000	886,801	5,320,806
Options	98,253	12,483	499	111,235	470,000	581,235	3,487,410
Pathways	88,924	0	481	89,405	365,000	454,405	2,726,430
Pomona Unified School District	61,756	10,677	393	72,826	439,000	511,826	3,070,956
Total**	\$1,741,335	\$120,724	\$9,260	\$1,871,319	\$8,691,000	\$10,562,319	\$63,373,914

* Caseload Driven

** Totals vary slightly due to rounding.